

Utah State Building Board



MEETING

September 13, 2002

MINUTES

Utah State Building Board Members in attendance:

Keith Stepan, Chair
Larry Jardine
Kerry Casaday
Manuel Torres

DFCM and Guests in attendance:

Joseph A. Jenkins	Division of Facilities Construction & Management
Kenneth Nye	Division of Facilities Construction & Management
Shannon Lofgreen	Division of Facilities Construction & Management
Blake Court	Division of Facilities Construction & Management
Camille Anthony	Department of Administrative Services
Representative Loraine Pace	Legislature
Senator Beverly Evans	Legislature
Greg Peay	Department of Corrections
Dennis Geary	College of Eastern Utah
Mike Perez	University of Utah
John Huish	University of Utah
Jim Michaelis	Utah Valley State College
Jackie McGill	Spectrum + Bennion
RoLynne Christensen	VCBO Architecture
Lee Stephens	USDB
Ligia MunozUSDB	
Kim Wixon	DOH
Dave Cowley	Utah State University
Darrell Hart	Utah State University

On Friday, September 13, 2002, the Utah State Building Board met at Utah State University, University Inn, Sonne' Boardroom, Logan, Utah. Chairman Keith Stepan called the meeting to order at 9:58 am.

☐ **APPROVAL OF MINUTES OF AUGUST 7, 2002.....**

Chair Stepan sought a motion on the Building Board minutes of August 7, 2002.

**MOTION: Larry Jardine moved to approve the meeting minutes of August 7, 2002.
The motion was seconded by Manuel Torres and passed unanimously.**

☐ **UTAH NAVAJO TRUST FUND PROJECTS**

Kenneth Nye stated these projects vary greatly from the type of projects the Board is normally presented. The Board typically builds projects for state entities serving state programs. The Navajo Trust Fund is a quasi state entity set up and administered by the State to receive mineral royalties for the benefit of the Utah chapter of the Navajo nation. The Trustee Board is not clearly defined as being a state entity needing to go through the normal approval processes when constructing buildings, nor are they exempted from the Building Board's statute providing for approval requirements. However, they are clearly intended to be more independent than the average state agency because they act as trustees to address the needs of the Navajos.

The Navajo Trust Fund wished to proceed with three projects and desired DFCM to administer the projects as they do not have the expertise required. In order to ensure approval requirements are complied with, DFCM wished to inform the Board of the three projects and solicit the Board's concurrence to proceed.

The first project is a Regional Office Building in Montezuma Creek which is primarily to house offices of different aspects of the Navajo nation, as well as some local government and federal offices and possibly a small state agency presence.

The second project is in Monument Valley where the Arizona DOT and the Utah DOT are jointly building a welcome center in which the Trust Fund wishes to provide the opportunity for Navajos to sell the various handmade goods in a vendor village consisting of small shops.

The third project was for a proposed medical clinic in Monument Valley which would be fully funded through a combination of the trust fund monies as well as federal grants and Navajo nation funds. They have committed they will not come back to the State for any money for operations and maintenance or capital improvements.

The Navajo Trust Fund has made the commitment to fully fund the projects as to the original construction, the operations and maintenance, and the future capital improvement needs. In order to fulfill all approval requirements, DFCM felt it was appropriate to inform the Board and seek their concurrence. DFCM will administer the projects although the Navajo Trust Fund will provide funding for the project.

MOTION: Manuel Torres moved to approve the construction of the three projects for the Utah Navajo Trust Fund. The motion was seconded by Kerry Casaday and passed unanimously.

☐ OLYMPIC LEGACY PARK AT UNIVERSITY OF UTAH RICE ECCLES STADIUM

John Huish introduced Mike Perez as the replacement for Randy Turpin at the University of Utah. Mr. Perez stated the Salt Lake Organizing Committee approached the University desiring to install a Winter Olympic Games Legacy Park at the south end of Rice Eccles Stadium. This element had previously been discussed on a smaller scale in the southwest corner, however, SLOC now wished for it to be a more prominent installation of the actual cauldron along with a water feature to leave as a legacy to the games. SLOC desires to have the installation in place prior to the first year anniversary of the Olympics this February.

John Huish displayed a map of the campus identifying where the cauldron would be displayed and noted the plaza would also have eight foot high glass panels etched with images of the athletes.

Mr. Perez mentioned that this is all highly preliminary although SLOC and the University have been involved in discussions for a few weeks. SLOC recently hired FFKR and discussion are being held with the University regarding the Legacy Park and the potential expansion of the stadium. The University is considering those elements to allow for consideration for future University expansion. The value of this project is somewhat nebulous and the University is expecting it could exceed \$5 million which will all be paid for by SLOC along with the O&M. The University promised not to proceed until all agreements are in place. They wanted to bring the issue before the Building Board to advise them of what was occurring and request the delegation, primarily because of the time element involved along with the complexity and no state dollars being used for construction or O&M.

John Huish added that SLOC hired FFKR primarily because of previous work performed on the stadium. The architect is now charged with preparing documents to bid the project in October. The University and SLOC will also coordinate together for the selection of the contractor.

Joseph Jenkins stated the University had spoken with DFCM regarding the issue and DFCM felt positive about delegating the project due to it meeting all of the criteria, no state funds being used, and the fact it is not a building. On that basis, Mr. Jenkins recommended the Board to delegate the project to the University.

Due to final issues still being resolved, Mike Perez respectfully requested the issue be kept low-key until SLOC was able to make a press release.

MOTION: Larry Jardine moved to approve concept and delegation to the University. The motion was seconded by Kerry Casaday and passed unanimously.

❑ ADMINISTRATIVE REPORT FOR UTAH STATE UNIVERSITY AND UTAH STATE UNIVERSITY

Darrell Hart, Utah State University, reported for the period of July 17 to August 21, 2002 and stated a few master planning items under the professional contracts were underway including the Utah Botanical Center Pavilion/Restroom being under contract, and the Fire Lane Access Routes are underway at the south end of the tunnel work and the walkway will be completed. The hardscape and lighting are anticipated for completion this fall and the landscaping is anticipated for completion this spring.

Mr. Hart noted the University was nearly completed with the tunnel area landscaping and anticipated the possibility of completing in the spring depending on how much could be planted before they lost irrigation water.

Mr. Hart stated on the construction contract status quarterly report, the First Dam project is generating power and a dedication is planned for October 23. The Board will be invited to tour the facility. The Taggart Student Center bookstore is also completed in time for school and has proven to be a tremendous improvement over the previous bookstore.

Mr. Hart spoke on the ongoing housing fire and safety issues and noted they have accomplished quite a bit. The contractor accomplished a lot over the summer and will continue as possible during school breaks and vacation. The issues are well over half completed.

MOTION: Manuel Torres moved to accept the administrative report of Utah State University. The motion was seconded by Larry Jardine and passed unanimously.

John Huish, University of Utah, reported for the period from July 26 to August 23, 2002, where one architect/engineering agreement was awarded to Stanley Consultants for design work on a boiler replacement on the student apartments. They awarded one construction contract for the period to Encompass Electric to begin work on the Merrill Engineering building fire alarm upgrade.

The quarterly report identified the status of the statewide account which included the state funded improvement projects. Some projects were currently under construction, and some were also near completion or substantially complete.

On the construction contract status report, the important delegated project of note was the Huntsman Cancer Institute, Phase II, which was about 20% complete.

Joseph Jenkins updated the Board on the Cowles building where there was a problem with the broken water line in the basement which wiped out control panels and the electrical system causing the University to eliminate classes in the building. The connection was between the plumbing contractors work and where the fire sprinkling person continued the work and an inadequate connection made. The line had extremely fluctuating pressure which lifted the slab it was underneath and tipped the chiller causing approximately \$35,000 worth of repairs to the chiller alone. The water line break also wiped out all of the motors for the pumps on the high temp heating system for the building and went into the elevator equipment room and invaded all of the equipment, picking up hydraulic fluid. Fortunately this room is five to eight feet below the bottom level of the building so the water only rose five feet. It didn't invade the newly completed building to ruin carpets and furniture fortunately, but it did affect the uninterrupted power supply (UPS) to the computer.

The University initially estimated it would be January before replacements could be completed, but have since become more optimistic and are looking towards October. Those involved had been very cooperative to complete the work and Risk Management has been extremely involved and will be paying for the incident.

Kenneth Nye stated DFCM has two programs administered through the Division of Risk Management that apply to this specific project as well as most other projects. One pertains to a policy for builders risk insurance provided by DFCM for the contractors. For the last several years, the State has also had an Owner Controlled Insurance Program (OCIP) which picked up liability and worker's compensation for the contractors. Mr. Nye believed Risk Management would balance which of its insurance policies would cover the damages. John Huish expressed appreciation to the State of Utah for initially obtaining the building and their help in repairs. He noted Gramoll Construction was devastated by the incident as they had provided a real value project. They admitted they wanted to do the best job possible on the project because they wanted to start building their reputation with the State. The

University reassured them that this is not a reflection on their capabilities.

Mr. Huish thanked those who had participated on the selections the last few weeks. Okland Construction was selected as the CM/GC for the Marriott library renovation. The selection for the architect was MJSA who is associated with Leo Dailey in Omaha who had some fabulous library experience.

MOTION: Kerry Casaday moved to approve the administrative report of the University of Utah. The motion was seconded by Larry Jardine and passed unanimously.

☐ LONG TERM LEASE REQUEST FOR THE DEPARTMENT OF PUBLIC SAFETY COMMUNICATIONS BUREAU, CEDAR CITY DISPATCH OFFICE.....

Joseph Jenkins stated the Department of Public Safety has been co-located with Cedar City in the past. With the move into a new area, Iron County wished for DFCM to enter into a 10-year lease due to the small area and the ongoing function. They will be relocating in the same building in the County Jail State Prison Complex and will be expanding and retrofitting the space to better meet the long term needs for communications all at Public Safety's expense.

MOTION: Manuel Torres moved to accept the 10-year lease for the Cedar City dispatch office. The motion was seconded by Kerry Casaday and passed unanimously.

☐ ADMINISTRATION REPORT FOR DFCM

Kenneth Nye referred the Board to page six of the administrative report. The report reflected the actions of the legislature to balance the budget over the last year to which DFCM was the funding source for a fair part.

The contingency report indicated the contingency reserve fund had \$600,000 taken away as one of the appropriations made to cover DFCM's operating budget costs after the general fund was eliminated for DFCM.

The project reserve fund activity report indicated the FY2003 transfers. The DFCM administrative budget of \$300,000 is a yearly item, however this year, in order to balance the budget, they raised the number they have typically done in the past from \$200,000 to \$300,000. This was the first action taken in trying to balance the budget in the regular

session last January. At that time, they had asked if there was any excess balance in the project reserve fund and DFCM had identified a surplus balance of \$800,000. The National Guard miscellaneous maintenance projects for \$600,000, the planning for the regional centers, and the miscellaneous capital improvements both for \$100,000 was how the Legislature chose to use the \$800,000 identified by DFCM. Unfortunately, this was identified by DFCM prior to the Legislature taking an extra \$100,000 from the project reserve for DFCM's operating budget. During the special session this summer, the first item listed for the DFCM administrative budget of \$2,186,000 was basically where the remaining balance in project reserve went towards the operating budgets along with the \$600,000 out of contingency reserve. The effect of the legislative action is \$2.7 million for DFCM's operating budget which is a one time funding which DFCM is trying to resolve how to fund in the future. In regards to the balance left of \$572,000, the Legislature previously authorized DFCM to spend up to \$585,000 out of the project reserve fund to hire temporary help. Approximately \$517,000 was not spent out of the funding and currently all money in the project reserve has been used.

Kenneth Nye stated the Legislature previously divided into the contingency and project reserve funds each with a different purpose. The project reserve is to cover shortfalls in bidding. The contingency reserve, which does have a remaining balance, covers issues arising during construction.

Joseph Jenkins clarified the statute states funds must be spent on building projects and also identifies specific purposes DFCM and the Building Board have the ability to use them for. Legislative approval is required to start new projects or direct the funds elsewhere.

Mr. Nye stated this is the best condition the Statewide Planning Fund has been in for a long time. The large volume of projects the Legislature funded over the last year or two ended up reimbursing the planning fund with the exception of one expenditure made in the past. Mr. Nye cautioned the Board that this fund is a revolving fund and only receives money as projects are funded and can reimburse the planning fund. Mr. Nye cautioned the Board on the spending to ensure it is being spent on items likely to be funded and be able to repay the planning fund.

☐ UPCOMING VALUE BASED PROCUREMENT SELECTIONS.....

Larry Jardine will serve on the selection committee for the Washington Youth Corrections.

Haze Hunter or Kay Calvert will serve on the selection committee for the Dixie College Eccles Fine Arts Center – Stage 1.

Manuel Torres will serve on the selection committee of the Parks and Recreation Vernal Fieldhouse.

☐ **2002-2003 BUILDING BOARD SCHEDULE**

The Board will meet on Tuesday, October 1 for the capital development hearings. The meeting is expected to last most of the day.

The Board will hold the priority settings for capital development projects as well as the regular meeting on October 16, 2002.

The Board decided not to combine the November and December meetings.

☐ **ADJOURNMENT**

MOTION: Larry Jardine moved to adjourn at 10:55am. The motion was seconded by Manuel Torres and passed unanimously.

Minutes prepared by: Shannon Lofgreen